Assets and Enforcement of Security Interest Act, 2002" has been enacted to tackle the problem of chronic non-performing assets.

Prosecution of Companies by SEBI

1244. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) the details of prosecution launched so far by the Securities and Exchange Board of India against companies and their promoters indulging in insider trading and in various market rigging manipulative games;

(b) details of action taken so-far, against the promoters of Global Trust Bank of India and Himachal Futuristic involved in the 1991-92 Stock Market Scam;

(c) if not, the reasons therefor in not taking any action; and

(d) the present status of Global Trust Bank of India's share-holders, specially small investors having GTB shares after its merger with Oriental Bank of Commerce?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The details of prosecution cases launched by Securities and Exchange Board of India (SEBI) against various companies, its promoters and other entities for violations under the SEBI (Insider Trading) Regulations, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995, as indicated by SEBI, are at Annex.

(b) SEBI had conducted an investigation into the buying, selling and dealing in the shares of Himachal Futuristic Communications Ltd (HFCL) for the period from October 1, 1999 to March 31, 2001. Pursuant to findings of investigations, SEBI had initiated quasi-judicial proceedings against HFCL, 14 promoters/associate companies and their Directors. Showcause notices under the SEBI Act 1992 read with SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 have been issued to HFCL/its Directors and promoters/associate companies of HFCL and their directors on August 30, 2004 asking them to showcause why suitable directions, including a direction restraining from accessing the capital market/buying, selling or dealing in securities for a particular duration should not be passed against them.

Further, the promoters of Global Trust Bank and their group entities were debarred from dealing in securities of Global Trust Bank for a period of eighteen months from December 31, 2002.

(c) In view of (b) above, does not arise.

(d) The RBI has informed that the amalgamation of Global Trust Bank Ltd., with Oriental Bank of Commerce was under Section 45 of the Banking Regulation Act, 1949. As per the Scheme of Amalgamation, the interests of the depositors are fully protected. Further, the entire paid up capital and reserves if any, is adjusted towards provision for bad and doubtful debts and depreciation in other assets of the Transferor bank. If any surplus remains after the appropriations, the transferee bank shall make payments pro-rata from the amount if any, available towards the amounts, if any, due to the accounts of the former shareholders of the transferor bank in the prescribed manner.

ADB'S Loan to NE region fo upgradation of urban Infrastructure

1245. SHRI B.J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that ADB has granted $ 1m to North Eastern region for up-gradation of urban infrastructure and if so, the details of the project;

(b) whether such a project is also in the offing for development of backward Eastern States, such as Orissa, Jharkhand and Bihar; and

(c) if so, the details thereof?

THE MINISTER OF STATE INTHE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Asian Development Bank (ADB) has approved a Technical Assistance for, an amount of US$ 1 million, for North Eastern Region Urban Development in June 2004. the TA will examine potential investments in water supply, urban roads and transport, sewerage and sanitation, storm water drainage, solid waste management of such services at the urban local bodies level in the North Eastern Region. The TA is to be financed by the Government of United Kingdom entirely on a grant basis.